



STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D

14 NOV 19 A7:47

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Human Services
Name of Requesting Department

Pursuant to HRS § 103D-102(b)(4) and HAR chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction:

Hosted, proprietary cloud-based service that would allow BESSD to monitor, report, and predict field operations and workload of its redesigned eligibility delivery of services (aka. Business Process Re-engineering, or BPR). This proprietary cloud based workload manager, PathOS, will allow real-time reporting to eligibility workers, and leadership, to understand the eligibility workload by type, resources available, and receive guidance in matching the two for the best possible outcomes. PathOS tracks each client and worker through every step of the BPR process, and then aggregates that data into reports to allow BESSD to: 1) Monitor, measure, and manage wait time, work flow, and other thresholds in real time; 2) Compare and enhance performance through predictive analysis based on historical office traffic trend; and 3) Reallocate staffing resources, locally and statewide. Additionally the vendor, C!A, will provide initial and on-going user training, management training on effectively using the data from PathOS, and on-going monitoring.

2. Vendor/Contractor/Service Provider:

Change and Innovation Agency, LLC

3. Amount of Request:

\$ 490,000.00

4. Term of Contract From: 4/1/2015

To: 3/31/2017

5. Prior SPO-007, Procurement Exemption (PE): 13-069K

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

See attached.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:

C!A was awarded through competitive procurement in 2011 to be the consultant to provide the technical guidance with BESSD's BPR effort. The proprietary model of BPR has guided the current results that BESSD has achieved. BESSD implemented C!A's BPR model with no modernization, only redesigning its service delivery model from a case management model to a task-based process model, and through the use of an excel spreadsheet to monitor the workload. Since that time, C!A had developed an enterprise workload manager tool that compliments its BPR model, and that the Department began using in May 2013.

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

| Name | Division/Agency | Phone Number | e-mail address |
|-----------------|-----------------|--------------|---------------------------|
| Scott Nakasone* | BESSD | 586-7054 | snakasone2@dhs.hawaii.gov |
| | | | |
| | | | |

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided above is, to the best of my knowledge, true and correct.*



Department Head Signature

11/17/14
Date

For Chief Procurement Officer Use Only

Date Notice Posted: 11/20/14

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

Approval is granted for a six month period, from date of approval to 8/31/2015, to be used as a bridge period for the department to develop and publish a competitive solicitation. This approved exemption period is for the solicitation process only. Pursuant to HRS section 103D-310(c) and HAR section 3-122-112, the procuring officer shall verify vendor compliance for all contracts awarded and award is required to be posted on the Awards Reporting System. Copies of the compliance verification and awards posting are required to be documented in the procurement/contract file.

The department is also advised to perform cost/pricing analysis, pursuant to HAR 3-122, subchapter 15 to ensure that the cost/prices offered, for this 6 month period, are fair and reasonable. This information shall be documented in the procurement/contract file.

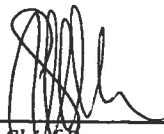
Public procurement's primary objective is to provide everyone equal opportunity to complete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. Therefore, it would be unfair to those offerors to the original RFP to not be given the opportunity to compete for the additional work needed.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

☒ Approved

☐ Disapproved

☐ No Action Required



Chief Procurement Officer Signature

2/11/15

Date

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

BESSD has invested approximately 3 years in redesigning its service delivery of public assistance eligibility determination from a case management process to a task-based process to address a federal injunction placed on the Department due to a failure to comply with the acceptable federal timeliness rate for processing Supplemental Nutrition Assistance Program (SNAP) applications. The addition of PathOS, and the on-going technical support from C!A, has been significant in the successful implementation, and on-going improvement, of the Department's task-based process also referred to as Business Process Reengineering (BPR).

It would be neither practical, nor advantageous for the Department to seek out another vendor to provide this service as the Department, through the use of the C!A proprietary BPR service delivery model and PathOS cloud-based workload manager, has been able to achieve the following:

1. Improve from a SNAP application processing timeliness rate of 64% in late 2011, to a timeliness rate of 97% as of October 2014;
2. Released from the federal injunction as of September 4, 2014 by maintaining a timeliness rate of 96% for a 12 month period beginning September 3, 2013;
3. Considerable amount of time, effort, and resources needed for another vendor to learn and understand the BPR model that the Department has implemented in order to design, develop, construct, and then implement an enterprise workload manager solution that C!A already has to offer would be inefficient use of funds and resources; and
4. Another vendor would not be able to provide an enterprise workload manager solution, the on-going managerial training and support through a training academy, and on-going user training of the enterprise solution that would exactly support the proprietary BPR model that the Department has already implemented with the aforementioned successful outcomes.

It would be more practical and advantageous for the Department to continue work with C!A to provide on-going support for the current BPR model, and to utilize their enterprise workload solution that was specifically built to support their BPR model, as they have expert knowledge of our current business delivery model. Continuation of their enterprise workload solution, partnered with their technical support and on-going training, allows for the Department to continue making improvements to the BPR model that is already successfully imbedded in our service delivery model. Additionally, because PathOS is already a constructed, browser-based and hosted solution it requires no additional resources for the Department to implement.

PEIS-023K